

<i>SERFF Tracking Number:</i>	<i>QBEC-125692364</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>QBE Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>08-170-003-GL-AR-F</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1010 Employment Practices Liability</i>
<i>Product Name:</i>	<i>GL Endorsement - EPL</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing at a Glance

Companies: QBE Insurance Corporation, Praetorian Insurance Company, Redland Insurance Company

Product Name: GL Endorsement - EPL

SERFF Tr Num: QBEC-125692364 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 17.1010 Employment Practices Liability

Co Tr Num: 08-170-003-GL-AR-F

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Authors: Virginia Putzu,
Christopher Montemurro

Disposition Date: 10/21/2008

Date Submitted: 08/05/2008

Disposition Status: Approved

Effective Date Requested (New): On Approval

Effective Date (New):

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Authorized

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/21/2008

State Status Changed: 08/12/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

QBE is proposing to introduce Employment Practices Liability Insurance coverage. We anticipate an increasing demand for this product as employers realize the need to protect themselves against employee-based lawsuits such as discrimination, wrongful termination and sexual harassment. We feel we can better meet our customers' insurance needs by having EPL available as part of their property and casualty coverage.

This optional coverage will be added to policies with General Liability coverage, including our Business Owners and

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Commercial Package policies. Since this is our initial offering of this product, the proposed rates and rules reflect our research and are our best evaluation of the EPL climate. We will monitor our book's performance as we develop our own experience to ensure that our product remains competitive and profitable.

Our portfolio program is designed to cover businesses with 50 or fewer employees, while our referral program is designed to cover businesses with 51-250 employees.

Coverage and Program Highlights

- 1) Program combines broad coverage, loss prevention website and specialized EPL claims handling and legal representation.
- 2) Broad Definition of Insured – includes business entities, partnerships, owners, partners, and employees, whether full-time, part-time, seasonal or temporary.
- 3) Broad Definition of Claim - includes written demands for money, federal, state or local administrative complaints.
- 4) Broad Definition of Wrongful Employment Act – includes discrimination, harassment, including sexual harassment, wrongful termination, employment-related misrepresentation, employment-related libel, slander, mental anguish, wrongful failure to promote, wrongful discipline, negligent supervision or hiring, retaliation, violation of civil rights .
- 5) Broad Definition of loss – includes front pay, back pay, judgments, settlements, pre- and post-judgment interest, statutory attorney fees, and defense costs.
- 6) Claims-made and reported, Duty to Defend coverage

Company and Contact

Filing Contact Information

Christopher Montemurro, Compliance/Product Development Analyst
 Christopher.Montemurro@QBEAQmericas.com
 88 Pine Street, 4th Floor (212) 497-9642 [Phone]
 New York, NY 10005 (212) 894-7821[FAX]

Filing Company Information

QBE Insurance Corporation	CoCode: 39217	State of Domicile: Pennsylvania
88 Pine Street - 16th Floor	Group Code: 796	Company Type:
New York, NY 10005	Group Name: QBE Insurance	State ID Number:

SERFF Tracking Number: QBEC-125692364 State: Arkansas
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Company Tracking Number: 08-170-003-GL-AR-F
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability
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Group

(212) 422-9888 ext. [Phone]

FEIN Number: 22-2311816

Praetorian Insurance Company
88 Pine Street - 16th Floor
New York , NY 10005

CoCode: 37257
Group Code: 796
Group Name: QBE Insurance
Group

State of Domicile: Illinois
Company Type:
State ID Number:

(212) 422-9888 ext. [Phone]

FEIN Number: 36-3030511

Redland Insurance Company
88 Pine Street - 16th Floor
New York , NY 10005

CoCode: 37303
Group Code: 796
Group Name: QBE Insurance
Group

State of Domicile: New Jersey
Company Type:
State ID Number:

(212) 422-9888 ext. [Phone]

FEIN Number: 42-1113749

SERFF Tracking Number: QBEC-125692364 State: Arkansas
First Filing Company: QBE Insurance Corporation, ... State Tracking Number: EFT \$50
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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 General filing fee.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
QBE Insurance Corporation	\$50.00	08/05/2008	21789869
Praetorian Insurance Company	\$0.00	08/05/2008	
Redland Insurance Company	\$0.00	08/05/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	10/21/2008	10/21/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	08/12/2008	08/12/2008	Christopher Montemurro	10/17/2008	10/17/2008

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TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1010 Employment Practices Liability
Product Name:	GL Endorsement - EPL		
Project Name/Number:	/		

Disposition

Disposition Date: 10/21/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form (revised)	Employment Practices Liability Insurance Coverage Endorsement - Arkansas	Approved	Yes
Form	Employment Practices Liability Insurance Coverage Endorsement	Approved	Yes
Form	Extended Reporting Period Elected Endorsement	Approved	Yes
Form	Third Party Coverage Endorsement	Approved	Yes
Form	Employment Practices Liability Insurance Coverage Endorsement Supplemental Declarations	Approved	Yes

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TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability
Product Name: GL Endorsement - EPL
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/12/2008

Submitted Date 08/12/2008

Respond By Date

Dear Christopher Montemurro,

This will acknowledge receipt of the captioned filing.

This coverage contains defense within limits. AID Order # 96-194 states that Employment Practices Liability may not be written with defense within limits for any risk with limits under \$500,000. The companion rate/rule filing allows limits under this amount. You must either amend filing to include defense outside the limits for all risks under \$500,000.

The basic and supplemental Extended Reporting Periods must comply as follows:

The basic ERP must be in compliance with Ark. Code Ann. §23-79-306 (b) (c). The policy must indicate that the insurer must provide at no additional charge an automatic sixty (60) day Extended Reporting Period upon cancellation or termination (for any reason including non-payment of premium or deductibles owed) of the policy by the insured or insurer. And, at the expiration of the automatic sixty (60) day extended reporting period, a supplemental (optional) extended reporting period endorsement must be offered by the insurer.

You may not refuse either the basic 60 day ERP or fail to put into force the supplemental optional ERP if requested by the insured and premium paid. In cases of termination for non-payment of premium, the ERPs may only be refused for flat cancellation as of the date of inception.

The Supplemental Extended Reporting Endorsement must comply with Ark. Code. Ann. §23-79-306 (f) which states that the limit of liability must be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate limit at policy inception.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

SERFF Tracking Number:	QBEC-125692364	State:	Arkansas
First Filing Company:	QBE Insurance Corporation, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	08-170-003-GL-AR-F		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1010 Employment Practices Liability
Product Name:	GL Endorsement - EPL		
Project Name/Number:	/		

Response Letter Status	Submitted to State
Response Letter Date	10/17/2008
Submitted Date	10/17/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Dear Ms Roberts,

Please find responses to your concerns, as listed below:

A) This coverage contains defense within limits. AID Order # 96-194 states that Employment Practices Liability may not be written with defense within limits for any risk with limits under \$500,000. The companion rate/rule filing allows limits under this amount. You must either amend filing to include defense outside the limits for all risks under \$500,000.

Response: As such, we will file coverage referral limits of \$500,000 and \$1,000,000 only. The companion rate/rule filing (08-170-003-GL-AR-R) will also be amended to reflect the \$500,000 and \$1,000,000 as well.

B) The basic and supplemental Extended Reporting Periods must comply as follows:

The basic ERP must be in compliance with Ark. Code Ann. §23-79-306 (b) (c). The policy must indicate that the insurer must provide at no additional charge an automatic sixty (60) day Extended Reporting Period upon cancellation or termination (for any reason including non-payment of premium or deductibles owed) of the policy by the insured or insurer. And, at the expiration of the automatic sixty (60) day extended reporting period, a supplemental (optional) extended reporting period endorsement must be offered by the insurer. You may not refuse either the basic 60 day ERP or fail to put into force the supplemental optional ERP if requested by the insured and premium paid. In cases of termination for non-payment of premium, the ERPs may only be refused for flat cancellation as of the date of inception.

Response: We now submit QBCG-0348 AR (06-08) which complies with The Arkansas Code 23-79-306(b) (C) accordingly.

The Supplemental Extended Reporting Endorsement must comply with Ark. Code. Ann. §23-79-306 (f) which states that the limit of liability must be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate

Response: The Extended Reporting Period Limit of Liability is in compliance, as the limit of liability is equal to 100% of

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the Aggregate limit.

Please advise any other concerns you may have.

Thank you!

Christopher Montemurro

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Employment Practices Liability Insurance Coverage Endorsement - Arkansas	QBCG - 0348 AR	06-08	Endorsement/AmendmentNew /Conditions			0	QBCG - 0348 AR _06-08_ EMPLOYMENT PRACTICES LIABILITY - ARKANSAS.pdf

Previous Version

Employment Practices Liability Insurance Coverage Endorsement	QBCG - 0348	06-08	Endorsement/AmendmentNew /Conditions			0	QBCG - 0348 _06-08_ EMPLOYMENT PRACTICES
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LIABILITY
.pdf

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<i>Company Tracking Number:</i>	<i>08-170-003-GL-AR-F</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1010 Employment Practices Liability</i>
<i>Product Name:</i>	<i>GL Endorsement - EPL</i>		
<i>Project Name/Number:</i>	<i>/</i>		

No Rate/Rule Schedule items changed.

Sincerely,
Christopher Montemurro, Virginia Putzu

SERFF Tracking Number: QBEC-125692364 State: Arkansas

First Filing Company: QBE Insurance Corporation, ... State Tracking Number: EFT \$50

Company Tracking Number: 08-170-003-GL-AR-F

TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability

Product Name: GL Endorsement - EPL

Project Name/Number: /

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Employment Practices Liability Insurance Coverage Endorsement - Arkansas	QBCG - 0348 AR	06-08	Endorsement New/Amendment/Conditions		0.00	QBCG - 0348 AR _06-08_ EMPLOYMENT PRACTICES LIABILITY - ARKANSAS.pdf
Approved	Extended Reporting Period Elected Endorsement	QBCG - 0349	06-08	Endorsement New/Amendment/Conditions		0.00	QBCG - 0349 _06-08_ EXTENDED REPORTING PERIOD ELECTED.pdf
Approved	Third Party Coverage Endorsement	QBCG - 0350	06-08	Endorsement New/Amendment/Conditions		0.00	QBCG - 0350 _06-08_ 3RD PARTY COVERAGE ENDORSEMENT.pdf
Approved	Employment Practices Liability Insurance Coverage Endorsement Supplemental Declarations	QBCG DS 26	06-08	Declaration New s/Schedule		0.00	QBCG DS 26 _06-08_ SUPPLEMENTAL DECLARATIONS.pdf



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT - ARKANSAS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage Endorsement"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage Endorsement and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage Endorsement. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I. WHAT IS COVERED

A. Insuring Agreement

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" against "your" "employees", "recognized volunteers" and applicants for employment to which this insurance applies. The "wrongful employment act" must commence or take place after the "original inception date", but before the end of the "EPL coverage period". A "claim" or "suit" for a "wrongful employment act" must be first made against "you" during the "EPL coverage period" or any Extended Reporting Period (if applicable) and reported to "us" pursuant to the terms of this EPL Coverage Endorsement.
2. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
- b. When "we" make any settlement in accordance with the terms of this EPL Coverage Endorsement.

B. Defense

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.
2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to effectively associate in the defense of any "claim".

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3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$100 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" Aggregate EPL Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the Aggregate EPL Limit of Liability. They are not in addition to the Aggregate EPL Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to paragraphs 1-4 above, ends after the Aggregate EPL Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the Aggregate EPL Limit of Liability:
 - a. which accrues after entry of judgment; and
 - b. before "we" pay, offer to pay, or deposit in court that part of the judgment within the Aggregate EPL Limit of Liability.

These interest payments are included within "our" Aggregate EPL Limit of Liability.

C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding subsection 1 of this Clause C, in all events, if the Aggregate EPL Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the Aggregate EPL Limit of Liability is exhausted.

SECTION II. EXCLUSIONS—WHAT IS NOT COVERED

This insurance does not apply to:

A. Profit or Advantage

Any liability arising out of the gaining of any profit or advantage to which an "insured" was not legally entitled. However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement, we will defend a "claim" or "suit" asserting that an "insured" gained a profit or advantage to which the "insured" was not legally entitled, until such time as the "insured" is determined to have gained a profit or advantage to which the "insured" was not legally entitled;

B. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement we will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of the foregoing exclusions A and B.

C. "Property Damage"

Any liability arising out of "property damage";

D. "Bodily Injury"

Any liability arising out of "bodily injury";

E. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

F. Contractual Liability

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to the extent any liability does not arise under such express contract or agreement;

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G. ERISA, COBRA, WARN, OSHA and NLRA

Any liability arising out of the “insured’s” failure to fulfill any responsibility, duty or obligation imposed by the Employment Retirement Income Security Act of 1974 (ERISA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Workers’ Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN), Occupational Safety and Health Act (OSHA), National Labor Relations Act of 1947 (NLRA), any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, or local statutory or common law. This exclusion, however, shall not apply to “loss” arising from a “claim” or “suit” for “retaliation”;

H. FLSA

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law;

It is acknowledged that “claims” and “suits” for violation(s) of any of the responsibilities, obligations or duties imposed by “similar federal, state, local or foreign statutory law or common law,” as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all “claims” and “suits” which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. the refusal, failure or inability of any “insured(s)” to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. improper deductions from pay taken by any “insured(s)” from any “employee(s)” or purported employee(s); or
3. failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this exclusion (h) shall not apply to the extent that a “claim” or “suit” is for “retaliation”.

I. Prior Knowledge

Any liability arising out of incidents, circumstances or “wrongful employment acts”, which an “insured”, prior to the “original inception date” as shown in the Supplemental Declarations of this EPL Coverage Endorsement, had knowledge or which an “insured” could have reasonably foreseen might result in a “claim” or “suit”;

J. Prior Notice

Any liability arising out of the facts alleged, or to the same or “related wrongful employment acts” alleged or contained in any “claim” or “suit” which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage Endorsement is a renewal or replacement or which it may succeed in time;

K. Securities Holder

Any “claim” or “suit” brought by a securities holder of the “insured” in their capacity as such, whether directly, derivatively on behalf of the “insured”, or by class action;

L. Outside Boards

Any liability arising out of any actual or alleged act or omission of an “insured” serving in any capacity, other than as a director, officer or “employee” of the “insured” entity.

SECTION III. WHO IS AN INSURED

A. Individual

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as an individual, “you” and “your” spouse are “insureds”, only for the conduct of a business of which “you” are the sole owner.

B. Corporation

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a corporation or organization other than a partnership, joint venture, or limited liability company, “you” and “your” “subsidiaries” are “insureds”.

C. Partnership or Joint Venture

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a partnership or joint venture, “you” are an “insured”. “Your” members, partners or co-venturers and their spouses are also “insureds”, but only for the conduct of “your” business.

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D. Limited Liability Company

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a limited liability company, “you” are an “insured.” Your members are also “insureds”, but only with respect to the conduct of “your” business. “Your” managers are “insureds”, but only with respect to their duties as “your” managers.

E. Trusts

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a trust, “you” are an “insured”. “Your” trustees are also “insureds”, but only with respect to their duties as trustees.

F. “Employees”

“Your” “employees”, executive officers and directors are “insureds”, only for the conduct of “your” business within the scope of their employment or their duties as executive officers or directors.

G. Extensions

1. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover “loss” arising from any “claims” or “suits” made against the estates, heirs, or legal representative of deceased individual “insureds”, and the legal representatives of individual “insureds”, in the event of incompetency, who were individual “insureds” at the time the “wrongful employment acts”, upon which such “claims” or “suits” are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover “loss” arising from all “claims” and “suits” made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual “insured”, including a “claim” or “suit” that seeks damages recoverable from marital community property, property jointly held by the individual “insured” and the spouse, or property transferred from the individual “insured” to the spouse; provided, however, that this extension shall not afford coverage for a “claim” or “suit” arising out of any “wrongful employment act” of the spouse, but shall apply only to “claims” or “suits” arising out of any “wrongful employment acts” of an individual “insured”, subject to this EPL Coverage Endorsement’s terms, conditions and exclusions.

SECTION IV. LIMIT OF LIABILITY (including “defense costs”)

- A. The Aggregate EPL Limit of Liability shown in the Supplemental Declarations of this EPL Coverage Endorsement and the information contained in this section limits the most “we” shall pay for all “loss” arising out of “claims” and “suits” first made against “insureds” during the “EPL coverage period” regardless of:
 1. the number of persons or organizations covered by this EPL Coverage Endorsement; or
 2. the number of “claims” made or “suits” brought; or
 3. the length of the “EPL coverage period”.
- B. The Aggregate EPL Limit of Liability is the most “we” shall pay for all “losses” covered under this EPL Coverage Endorsement, including amounts incurred for “defense costs”.
- C. Notwithstanding the foregoing, in the event that “you” purchase the Extended Reporting Period pursuant to the terms of Section VI, F, the limit of liability for the Extended Reporting Period (the “ERP Limit of Liability”) shall be equal to the Aggregate EPL Limit of Liability shown in the Supplemental Declarations of this EPL Coverage Endorsement in effect as of the inception date of the “EPL coverage period”. The ERP Limit of Liability, if purchased, shall be solely for “claims” first made or “suits” first brought against the “insureds” during said Extended Reporting Period for any “wrongful employment acts” which take place after the “original inception date” and before the end of the “EPL coverage period”, and shall be in addition to, and not part of, the Aggregate EPL Limit of Liability shown in the Supplemental Declarations of this EPL Coverage Endorsement in effect as of the inception date of the “EPL coverage period”.
- D. All “claims” and “suits” arising from the same or “related wrongful employment acts” shall be treated as arising out of a single “wrongful employment act”.
- E. All “claims” or “suits” arising out of one “wrongful employment act” shall be deemed to be made on the date that the first such “claim” is made or “suit” is brought. All “claims” asserted in a “class action suit” will be treated as arising out of a single “wrongful employment act”.
- F. Any “claim” or “suit” which is made subsequent to the “EPL coverage period” or Extended Reporting Period (if applicable) which, pursuant to Section VI, Clause D(3) and (4) is considered made during the “EPL coverage period” or Extended Reporting Period (if applicable) shall also be subject to the one

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Aggregate EPL Limit of Liability stated in the Supplemental Declarations of this EPL Coverage Endorsement or the one ERP Limit of Liability, as applicable.

SECTION V. DEDUCTIBLE

"You" shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage Endorsement with respect to each "claim" and "suit" and "you" may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "related wrongful employment acts". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the Aggregate EPL Limit of Liability.

SECTION VI. CONDITIONS

"We" have no duty to provide coverage under this EPL Coverage Endorsement, unless there has been full compliance with all the Conditions contained in this EPL Coverage Endorsement.

A. Assignment

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage Endorsement without "our" written consent attached to the EPL Coverage Endorsement.

B. Bankruptcy or Insolvency

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage Endorsement.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage Endorsement.

C. Coverage Territory

"We" cover "wrongful employment acts" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

D. Duties in the Event of an Incident, "Claim" or "Suit"

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which

coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon a contemporaneously made memorandum of an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:

- a. anytime during the "EPL coverage period" or the Extended Reporting Period (if applicable); or
 - b. within thirty (30) days after the end of the "EPL coverage period" or Extended Reporting Period (if applicable), as long as such "claim" or "suit" is reported no later than thirty (30) days after the date such "claim" or "suit" was first made against an "insured".
2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b. Provide "us" with written notice, as described in subsection 3. below, as soon as practicable.
 3. Such written notice of "claim" or "suit" shall contain:
 - a. The identity of the person(s) alleging a "wrongful employment act";
 - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
 - c. The date the alleged incidents or events took place; and
 - d. The written notice or contemporaneously prepared memorandum referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Period (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.
 4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D, then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us"

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alleging the same or a "related wrongful employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to "us".

5. "You" and any other "insured" must:

- a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
- b. Authorize "us" to obtain records and other information;
- c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
- d. Assist "us", upon "our" request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply;
- e. Take no action, or fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".

6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

E. Transfer of Rights of Recovery Against Others to "Us"

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage Endorsement, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

F. Extended Reporting Period

1. "You" shall have the right to a period of sixty (60) days after the effective date of cancellation or nonrenewal (herein referred to as the "Automatic Extended Reporting Period") at no additional premium in which to give "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said "Automatic Extended Reporting Period" for any wrongful employment acts" which take place after the "original inception date" and before the end of the "Automatic Extended

Reporting Period" and are otherwise covered by this EPL Coverage Endorsement.

2. Solely with respect to this EPL Coverage Endorsement and except as indicated below, if "you" shall cancel or "we" shall cancel for any reason other than for non-payment of premium, or "you" or "we" shall refuse to renew this EPL Coverage Endorsement, "you" shall have the right, upon payment of an additional premium of 150% of the full annual premium applicable to this EPL Coverage Endorsement, to buy an Extended Reporting Period of (1) one year immediately following the expiration of the "Automatic Extended Reporting Period", in which to give "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Extended Reporting Period for any "wrongful employment acts" which take place after the "original inception date" and before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage Endorsement. The limit of liability for the Extended Reporting Period shall be as set forth in Section IV, Clause C of this EPL Coverage Endorsement.

To obtain an Extended Reporting Period Endorsement, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal.

3. The Extended Reporting Period Endorsement cannot be canceled by either party, except for nonpayment of premium. The additional premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period and this EPL Coverage Endorsement cannot be cancelled after such additional premium is paid. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

4. This insurance, provided during the Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Extended Reporting Period Endorsement becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

5. This Clause F and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

6. In the event of a "Transaction", as defined in Clause G below, the "named insured" shall have the right, within thirty (30) days before the end of the "EPL coverage period", to request an offer from "us" of an Extended Reporting Period (with

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respect to “wrongful employment acts” which take place after the “original inception date” and prior to the effective time of the “Transaction”). We shall offer such Extended Reporting Period pursuant to such terms, conditions, and premium as we may reasonably decide. In the event of a “Transaction”, the right to an Extended Reporting Period shall not otherwise exist except as indicated in this paragraph.

G. Change in Control of “Named Insured”

If during the “EPL coverage period”:

1. the “named insured” shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
2. any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the “named insured” (in the event the “named insured” is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. a General Partner of the “named insured” (in the event the “named insured” is a partnership) withdraws, resigns or is terminated;

(any of the above events herein referred to as the “Transaction”),

then this EPL Coverage Endorsement shall continue in full force and effect as to “wrongful employment acts” occurring after the “original inception date” and prior to the effective time of the “Transaction”, but there shall be no coverage afforded by any provision of this EPL Coverage Endorsement for any actual or alleged “wrongful employment acts” occurring after the effective time of the “Transaction”. This EPL Coverage Endorsement may not be canceled after the effective time of the “Transaction” and the entire premium for this EPL Coverage Endorsement shall be deemed earned as of such time. “You” shall also have the right to an offer by “us” of an Extended Reporting Period described in Clause F of this EPL Coverage Endorsement.

“You” shall give “us” written notice of the “Transaction” as soon as practicable, but not later than thirty (30) days after the effective date of the “Transaction”.

H. Legal Action Against “Us”

No person or organization has the right to join “us” as a party or otherwise bring “us” into a “suit” asking for damages from an “insured”.

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I. Other Insurance

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage Endorsement shall be primary.

J. EPL Coverage Endorsement Changes

This EPL Coverage Endorsement contains all the agreements between “you” and “us” concerning this insurance. The first “named insured” in the Supplemental Declarations of this EPL Coverage Endorsement is authorized to request changes in this EPL Coverage Endorsement. This EPL Coverage Endorsement can only be changed by a written endorsement “we” issue and make part of this EPL Coverage Endorsement.

K. Representations

Any and all relevant provisions of this EPL Coverage Endorsement may be voidable by “us” in any case of fraud, intentional concealment, or misrepresentation of material fact by any “insured”.

L. Special Rights and Duties of the “Named Insured”

“You” agree that when there is more than one person and/or entity covered under this EPL Coverage Endorsement, the first “named insured” in the Supplemental Declarations of this EPL Coverage Endorsement shall act on behalf of all “insureds” as to:

1. Giving of notice of a “claim” or “suit”;
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage Endorsement; or
5. Purchasing or deciding not to purchase the Extended Reporting Period Endorsement.

M. Headings

The descriptions in the headings of this EPL Coverage Endorsement are solely for convenience, and form no part of the terms and conditions of coverage.

SECTION VII. DEFINITIONS

- A. “Bodily injury” means physical injury, sickness, or disease, including death resulting therefrom.
- B. “Claim” means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term “claim”

shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to "you". However, in no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.

- C. "Class Action Suit" means any suit seeking certification or certified as a class action by a federal or state court.
- D. "Defense Costs" means reasonable and necessary fees, costs and expenses consented to by "us" resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against "you".
- E. "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary "employees". An individual who is leased to "you" shall also be an "employee", but only if "you" provide indemnification to such leased individual in the same manner as is provided to "your" "employees". Any other individual who is contracted to perform work for "you", or who is an independent contractor for "you", shall also be an "employee", but only if "you" provide indemnification to such individual in the same manner as that provided to your employees, pursuant to a written contract.
- F. "Loss(es)" means damages (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by "us", statutory attorney fees, and "defense costs"; however, "loss" shall not include: (1) civil or criminal fines or penalties imposed by law; (2) punitive or exemplary damages; (3) the multiplied portion of multiplied damages; (4) taxes; (5) any amount for which the "insureds" are not financially liable or which are without legal recourse to the "insureds"; (6) employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation; (7) any liability or costs incurred by any "insured" to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or (8) matters which may be deemed uninsurable under the law

pursuant to which this EPL Coverage Endorsement shall be construed.

- G. "Named Insured" means the person or organization designated in the Supplemental Declarations page of this EPL Coverage Endorsement.
- H. "Original inception date" refers to the date specified in the Supplemental Declarations of this EPL Coverage Endorsement.
- I. "EPL coverage period" means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage Endorsement. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage Endorsement. If "you" became an "insured" under this EPL Coverage Endorsement after the effective date, the "EPL coverage period" begins on the date "you" became an "insured".
- J. "Property Damage" means physical injury to, or destruction of, tangible property including the loss of use of thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- K. "Recognized volunteer" means an uncompensated individual who volunteers labor or services to "you", but only when performing such labor or services at the request of and under the direction of "you".
- L. "Related Wrongful Employment Act(s)" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.
- M. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to, the actual or attempted exercise by an "employee" of any right that such "employee" has under the law. Provided, however, "retaliation" shall not include the "wrongful employment act" of an "insured" alleged to be in response to the threat of or the actual filing of any claim or suit under the Federal False Claims Act or any other federal, state, local or foreign "whistleblower law".
- N. "Subsidiary" means:
 - 1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than 50% owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or
 - 2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within 90 days

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of its becoming a “subsidiary”, the “named insured” shall have provided “us” with full particulars of the new “subsidiary” and agreed to any additional premium or amendment of the provisions of this EPL Coverage Endorsement required by “us” relating to such new “subsidiary”. Further, coverage as shall be afforded to the new “subsidiary” is conditioned upon the “named insured” paying when due any additional premium required by “us” relating to such new “subsidiary”.

An organization becomes a “subsidiary” when the “named insured” owns more than fifty (50%) percent ownership interest in such “subsidiary”, either directly, or indirectly through one or more of its “subsidiaries”. An organization ceases to be a “subsidiary” when the “named insured” ceases to own more than a fifty (50%) percent ownership in such “subsidiary”, either directly or indirectly through one or more of its “subsidiaries”.

In all events, coverage as is afforded under this EPL Coverage Endorsement with respect to a “claim” made or “suit” brought against any “subsidiary” or an “insured” of any “subsidiary”, shall only apply to “wrongful employment act(s)” commenced or allegedly commenced after the effective time that such “subsidiary” became a “subsidiary”, and prior to the time that such “subsidiary” ceased to be a “subsidiary”.

- O.** “Suit” means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the “insured” must submit or may submit with “our” consent. “Suit” shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- P.** “Whistleblower law” means a statute, rule or regulation, which protects an employee against discrimination from his or her employer, if the employee discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer's operations, which may be a violation of

public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, and professional codes of ethics.

- Q.** “Wrongful Employment Act(s)” means any actual or alleged:
 - 1.** wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
 - 2.** harassment (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
 - 3.** discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
 - 4.** “retaliation” (including lockouts);
 - 5.** employment-related misrepresentation(s) to “your” “employee” or applicant for employment with “you”;
 - 6.** employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
 - 7.** wrongful failure to employ or promote;
 - 8.** wrongful deprivation of career opportunity, wrongful demotion or negligent “employee” evaluation, including the giving of negative or defamatory statements in connection with an “employee” reference;
 - 9.** wrongful discipline;
 - 10.** failure to grant tenure;
 - 11.** failure to provide or enforce adequate or consistent corporate policies and procedures relating to any “wrongful employment act”;
 - 12.** negligent supervision or hiring by an “insured”, relating to any of the above;
 - 13.** violation of an individual’s civil rights relating to any of the above.

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD ELECTED

(Employment Practices Liability Insurance Coverage Only)

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

Extended Reporting Period Additional Premium: \$

Extended Reporting Period Effective Date (hereinafter "Effective Time"): as of 12:01 A.M. on

In consideration of the Additional Premium stated above, it is hereby understood and agreed that solely with respect to the coverage afforded pursuant to the Employment Practices Liability Coverage (hereinafter "EPL Coverage") and pursuant to the terms and conditions of **SECTION VI. CONDITIONS** paragraph **F. Extended Reporting Period**, thereof, the EPL Coverage, as of the Effective Time shown above shall be amended as follows:

- (1) **SECTION VI. CONDITIONS** paragraph **F. Extended Reporting Period**, of the EPL Coverage, is deleted in its entirety and replaced by the following:

F. Extended Reporting Period

The "named insured" shall have the right to a period of one (1) year following the Effective Time (herein referred to as the Extended Reporting Period) in which to give written notice to "us" of "claims" first made or "suits" first brought against the "insureds" during said one (1) year period for any "wrongful employment acts" occurring on or prior to the Effective Time and otherwise covered by this EPL Coverage.

- (2) The terms and conditions of the Cancellation Clause of the Common Policy Conditions are hereby deleted in their entirety and replaced by the following:

CANCELLATION/NONRENEWAL

This EPL Coverage (including the Extended Reporting Period) may not be canceled by or on the behalf of "named insured" or the insurer except as stated below. "We" may only cancel this EPL Coverage (including the Extended Reporting Period) in the event of nonpayment of premium by the "named insured" (including the nonpayment of any additional premium for this endorsement). "We" shall cancel this EPL Coverage by delivering to the "named insured" or by mailing to the "named insured", by registered, certified, or other first class mail, at the "named insured's" address as shown in the Declarations of this policy, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The "EPL coverage period" (or Extended Reporting Period, as the case may be) terminates at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling their construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

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The additional premium for this EPL Coverage shall be fully earned at inception.

- (3) **SECTION VI. CONDITIONS** paragraph **G. Change in Control of "Named Insured"**, of the EPL Coverage, is deleted in its entirety.

- (4) It is further understood and agreed that notwithstanding any other provision of the EPL Coverage, this EPL Coverage shall not provide coverage for any "wrongful employment act" occurring after the Effective Time.

All other terms and conditions of this policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIRD PARTY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

In consideration of an additional premium, it is hereby understood and agreed that the Employment Practices Liability Insurance Coverage Endorsement is amended as follows:

1. SECTION I - WHAT IS COVERED, A. Insuring Agreement, paragraph 1., is deleted in its entirety and replaced by the following:

We shall pay those "losses" arising out of your "wrongful employment act" against your "employees", "recognized volunteers", applicants for employment, customers, vendors and clients to which this insurance applies. The "wrongful employment act" must commence or take place after the "original inception date", but before the end of the "EPL coverage period". A "claim" or "suit" for a "wrongful employment act" must be first made against you during the "EPL coverage period" or any Extended Reporting Period (if applicable) and reported to us pursuant to the terms of this Employment Practices Liability Coverage Endorsement.

2. SECTION VII - DEFINITIONS, paragraph Q. "Wrongful employment act" is deleted in its entirety and replaced with the following:

Q. "Wrongful employment act" means any actual or alleged:

1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
2. Harassment (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);

3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
4. "Retaliation" (including lockouts);
5. Employment-related misrepresentations to your "employee" or applicant for employment with you;
6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
7. Wrongful failure to employ or promote;
8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
9. Wrongful discipline;
10. Failure to grant tenure;
11. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act";
12. Negligent supervision or hiring by an "insured", relating to any of the above;

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13. Violation of an individual's civil rights relating to any of the above;

but only if the "wrongful employment act" relates to an "employee", "recognized volunteer" or applicant for employment with you.

With respect to any of your customers, vendors or clients, whether individually or as a class or group, "Wrongful Employment Act" shall mean only any actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment, whether direct, indirect, intentional or unintentional.

All other terms and conditions of this policy remain unchanged.

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POLICY NUMBER:



EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT SUPPLEMENTAL DECLARATIONS

<u>Named Insured and Mailing Address:</u>		<u>Agent Name and Address:</u>	
		Agent No. _____	
<u>EPL Coverage Period From:</u>		<u>To:</u>	
AT 12:01 A. M. Standard Time at your mailing address shown on the Declarations page of this policy.			

NOTICE

- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS COVERAGE ENDORSEMENT IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. VARIOUS PROVISIONS IN THIS COVERAGE ENDORSEMENT RESTRICT COVERAGE. PLEASE READ THE ENTIRE COVERAGE ENDORSEMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE ENDORSEMENT SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

EPL Aggregate Limit of Liability:	\$	Aggregate for all "loss" combined, including "defense costs".
EPL Deductible Amount:	\$	For "loss" arising from claims or suits alleging the same "wrongful employment act" or "related wrongful employment acts".
EPL Original Inception Date:		(Enter "original inception date".) If no date is shown, "we" will consider the "original inception date" to be the same as the beginning of this coverage endorsement.

This insurance does not apply to "loss" arising out of a "wrongful employment act" that: (1) commences on or takes place prior to the "original inception date" shown here, or (2) arises out of incidents or circumstances of which "you" had knowledge prior to the "original inception date" shown.

EPL COVERAGE PREMIUM:	\$
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<i>SERFF Tracking Number:</i>	<i>QBEC-125692364</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>QBE Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>08-170-003-GL-AR-F</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1010 Employment Practices Liability</i>
<i>Product Name:</i>	<i>GL Endorsement - EPL</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number:	QBEC-125692364	State:	Arkansas
First Filing Company:	QBE Insurance Corporation, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	08-170-003-GL-AR-F		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1010 Employment Practices Liability
Product Name:	GL Endorsement - EPL		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Approved	10/21/2008
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Comments:

Attachment:

08-170-003-GL-AR-F.pdf


Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	QBE Insurance Group				Group NAIC #	0796
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #		
Praetorian Insurance Company	IL	37257	36-3030511			
Redland Insurance Company	NJ	37303	42-1113749			
QBE Insurance Corporation	PA	39217	22-2311816			

5. Company Tracking Number	08-170-003-GL-AR-F
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Christopher Montemurro Wall Street Plaza 88 Pine Street New York, NY 10005	Compliance Analyst Assistant	212-497-9642	(212) 790-9806	Christopher.montemurro@qbeamericas.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Christopher Montemurro		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Other Liability – Claims Made
10. Sub-Type of Insurance (Sub-TOI)	Other - EPL
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: On approval Renewal: On approval
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	08/05/2008

19.	Status of filing in domicile	[] Not Filed [x] Pending [] Authorized [] Disapproved
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PC TD-1 pg 1 of 2

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company tracking #	08-170-003-GL-AR-F
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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08-170-003-GL-AR-F

In an effort to further address the needs of our Policyholders, QBE has developed an Employment Practices Liability program for small commercial businesses with 50 or fewer employees. This program provides broad coverage, as well as web-based loss prevention, experienced EPL claims handling and access to specialized EPL legal representation.

Portfolio EPL is designed to protect small commercial businesses with 50 employees or fewer for liability damages and defense costs due to claims brought by full-time, part-time, seasonal or temporary employees who allege employment discrimination, wrongful termination, or sexual harassment. Due to the growing threat of EPL lawsuits and the fact that small commercial businesses are not generally protected from these types of claims, QBE has responded to the increased demand for such coverages from our policy holders and agents, and crafted a comprehensive solution that responds to numerous types of EPL claims brought against small commercial businesses. This solution is easy to administer in that no additional underwriting information needs to be collected from the insured. If an insured fits the eligibility criteria, the coverage is offered as part of their policy.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
-----	--

Check #: ELECTRONIC FUNDS TRANSFER
Amount: \$50.00 GENERAL FORM FILING FEE

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required other state specific forms, etc.)**

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company tracking #	08-170-003-GL-AR-F
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	08-170-003-GL-AR-R
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Employment Practices Liability Insurance Coverage Endorsement	QBCG – 348 (06-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Extended Reporting Period Elected Endorsement	QBCG – 349 (06-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Third Party Coverage Endorsement	QBCG – 350 (06-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Employment Practices Liability Declaration Page.	QBCG DS 26 (06-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

<i>SERFF Tracking Number:</i>	<i>QBEC-125692364</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>QBE Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>08-170-003-GL-AR-F</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1010 Employment Practices Liability</i>
<i>Product Name:</i>	<i>GL Endorsement - EPL</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Employment Practices Liability Insurance Coverage Endorsement	06/24/2008	QBCG - 0348 _06-08_ EMPLOYMENT PRACTICES LIABILITY.pdf



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage Endorsement"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage Endorsement and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage Endorsement. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage Endorsement, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I. WHAT IS COVERED

A. Insuring Agreement

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" against "your" "employees", "recognized volunteers" and applicants for employment to which this insurance applies. The "wrongful employment act" must commence or take place after the "original inception date", but before the end of the "EPL coverage period". A "claim" or "suit" for a "wrongful employment act" must be first made against "you" during the "EPL coverage period" or any Extended Reporting Period (if applicable) and reported to "us" pursuant to the terms of this EPL Coverage Endorsement.
2. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
- b. When "we" make any settlement in accordance with the terms of this EPL Coverage Endorsement.

B. Defense

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.
2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to effectively associate in the defense of any "claim".

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3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$100 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" Aggregate EPL Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the Aggregate EPL Limit of Liability. They are not in addition to the Aggregate EPL Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to paragraphs 1-4 above, ends after the Aggregate EPL Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the Aggregate EPL Limit of Liability:
 - a. which accrues after entry of judgment; and
 - b. before "we" pay, offer to pay, or deposit in court that part of the judgment within the Aggregate EPL Limit of Liability.

These interest payments are included within "our" Aggregate EPL Limit of Liability.

C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding subsection 1 of this Clause C, in all events, if the Aggregate EPL Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the Aggregate EPL Limit of Liability is exhausted.

SECTION II. EXCLUSIONS—WHAT IS NOT COVERED

This insurance does not apply to:

A. Profit or Advantage

Any liability arising out of the gaining of any profit or advantage to which an "insured" was not legally entitled. However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement, we will defend a "claim" or "suit" asserting that an "insured" gained a profit or advantage to which the "insured" was not legally entitled, until such time as the "insured" is determined to have gained a profit or advantage to which the "insured" was not legally entitled;

B. Criminal Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage Endorsement we will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act;

The "wrongful employment act(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of the foregoing exclusions A and B.

C. "Property Damage"

Any liability arising out of "property damage";

D. "Bodily Injury"

Any liability arising out of "bodily injury";

E. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation";

F. Contractual Liability

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to the extent any liability does not arise under such express contract or agreement;

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G. ERISA, COBRA, WARN, OSHA and NLRA

Any liability arising out of the “insured’s” failure to fulfill any responsibility, duty or obligation imposed by the Employment Retirement Income Security Act of 1974 (ERISA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Workers’ Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN), Occupational Safety and Health Act (OSHA), National Labor Relations Act of 1947 (NLRA), any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, or local statutory or common law. This exclusion, however, shall not apply to “loss” arising from a “claim” or “suit” for “retaliation”;

H. FLSA

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law;

It is acknowledged that “claims” and “suits” for violation(s) of any of the responsibilities, obligations or duties imposed by “similar federal, state, local or foreign statutory law or common law,” as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all “claims” and “suits” which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. the refusal, failure or inability of any “insured(s)” to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. improper deductions from pay taken by any “insured(s)” from any “employee(s)” or purported employee(s); or
3. failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this exclusion (h) shall not apply to the extent that a “claim” or “suit” is for “retaliation”.

I. Prior Knowledge

Any liability arising out of incidents, circumstances or “wrongful employment acts”, which an “insured”, prior to the “original inception date” as shown in the Supplemental Declarations of this EPL Coverage Endorsement, had knowledge or which an “insured” could have reasonably foreseen might result in a “claim” or “suit”;

J. Prior Notice

Any liability arising out of the facts alleged, or to the same or “related wrongful employment acts” alleged or contained in any “claim” or “suit” which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage Endorsement is a renewal or replacement or which it may succeed in time;

K. Securities Holder

Any “claim” or “suit” brought by a securities holder of the “insured” in their capacity as such, whether directly, derivatively on behalf of the “insured”, or by class action;

L. Outside Boards

Any liability arising out of any actual or alleged act or omission of an “insured” serving in any capacity, other than as a director, officer or “employee” of the “insured” entity.

SECTION III. WHO IS AN INSURED

A. Individual

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as an individual, “you” and “your” spouse are “insureds”, only for the conduct of a business of which “you” are the sole owner.

B. Corporation

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a corporation or organization other than a partnership, joint venture, or limited liability company, “you” and “your” “subsidiaries” are “insureds”.

C. Partnership or Joint Venture

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a partnership or joint venture, “you” are an “insured”. “Your” members, partners or co-venturers and their spouses are also “insureds”, but only for the conduct of “your” business.

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D. Limited Liability Company

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a limited liability company, “you” are an “insured.” Your members are also “insureds”, but only with respect to the conduct of “your” business. “Your” managers are “insureds”, but only with respect to their duties as “your” managers.

E. Trusts

If “you” are shown in the Supplemental Declarations of this EPL Coverage Endorsement as a trust, “you” are an “insured”. “Your” trustees are also “insureds”, but only with respect to their duties as trustees.

F. “Employees”

“Your” “employees”, executive officers and directors are “insureds”, only for the conduct of “your” business within the scope of their employment or their duties as executive officers or directors.

G. Extensions

1. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover “loss” arising from any “claims” or “suits” made against the estates, heirs, or legal representative of deceased individual “insureds”, and the legal representatives of individual “insureds”, in the event of incompetency, who were individual “insureds” at the time the “wrongful employment acts”, upon which such “claims” or “suits” are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage Endorsement shall cover “loss” arising from all “claims” and “suits” made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual “insured”, including a “claim” or “suit” that seeks damages recoverable from marital community property, property jointly held by the individual “insured” and the spouse, or property transferred from the individual “insured” to the spouse; provided, however, that this extension shall not afford coverage for a “claim” or “suit” arising out of any “wrongful employment act” of the spouse, but shall apply only to “claims” or “suits” arising out of any “wrongful employment acts” of an individual “insured”, subject to this EPL Coverage Endorsement’s terms, conditions and exclusions.

SECTION IV. LIMIT OF LIABILITY (including “defense costs”)

- A. The Aggregate EPL Limit of Liability shown in the Supplemental Declarations of this EPL Coverage Endorsement and the information contained in this section limits the most “we” shall pay for all “loss” arising out of “claims” and “suits” first made against “insureds” during the “EPL coverage period” or Extended Reporting Period (if applicable), regardless of:
 1. the number of persons or organizations covered by this EPL Coverage Endorsement; or
 2. the number of “claims” made or “suits” brought; or
 3. the length of the “EPL coverage period”.
- B. The Aggregate EPL Limit of Liability is the most “we” shall pay for all “losses” covered under this EPL Coverage Endorsement, including amounts incurred for “defense costs”.
- C. The Aggregate EPL Limit of Liability for the Extended Reporting Period shall be part of, and not in addition to the Aggregate EPL Limit of Liability for the “EPL coverage period”.
- D. All “claims” and “suits” arising from the same or “related wrongful employment acts” shall be treated as arising out of a single “wrongful employment act”.
- E. All “claims” or “suits” arising out of one “wrongful employment act” shall be deemed to be made on the date that the first such “claim” is made or “suit” is brought. All “claims” asserted in a “class action suit” will be treated as arising out of a single “wrongful employment act”.
- F. Any “claim” or “suit” which is made subsequent to the “EPL coverage period” or Extended Reporting Period (if applicable) which, pursuant to Section VI, Clause D(3) and (4) is considered made during the “EPL coverage period” or Extended Reporting Period shall also be subject to the one Aggregate EPL Limit of Liability stated in the Supplemental Declarations of this EPL Coverage Endorsement.

SECTION V. DEDUCTIBLE

“You” shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage Endorsement with respect to each “claim” and “suit” and “you” may not insure against it. A single deductible amount shall apply to “loss” arising from all “claims” and “suits” alleging the same “wrongful employment act” or “related wrongful employment acts”. Expenses “we” incur in investigating, defending and settling “claims” and “suits” are included in the

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deductible. The deductible is not included within the Aggregate EPL Limit of Liability.

SECTION VI. CONDITIONS

"We" have no duty to provide coverage under this EPL Coverage Endorsement, unless there has been full compliance with all the Conditions contained in this EPL Coverage Endorsement.

A. Assignment

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in this EPL Coverage Endorsement without "our" written consent attached to the EPL Coverage Endorsement.

B. Bankruptcy or Insolvency

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage Endorsement.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage Endorsement.

C. Coverage Territory

"We" cover "wrongful employment acts" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

D. Duties in the Event of an Incident, "Claim" or "Suit"

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon a contemporaneously made memorandum of an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
 - a. anytime during the "EPL coverage period" or the Extended Reporting Period (if applicable); or
 - b. within thirty (30) days after the end of the "EPL coverage period" or Extended Reporting Period (if applicable), as long as such "claim" or "suit" is reported no later

than thirty (30) days after the date such "claim" or "suit" was first made against an "insured".

2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b. Provide "us" with written notice, as described in subsection 3. below, as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:
 - a. The identity of the person(s) alleging a "wrongful employment act";
 - b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
 - c. The date the alleged incidents or events took place; and
 - d. The written notice or contemporaneously prepared memorandum referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Period (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D, then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" in effect at the time such written notice was first submitted to "us".
5. "You" and any other "insured" must:
 - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
 - b. Authorize "us" to obtain records and other information;
 - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";

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- d. Assist “us”, upon “our” request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of injury or damage to which this insurance may also apply;
 - e. Take no action, or fail to take any required action, that prejudices the rights of the “insureds” or “us” with respect to such “claim” or “suit”.
6. No “insureds” will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without “our” prior written consent.

E. Transfer of Rights of Recovery Against Others to “Us”

“You” may be able to recover all or part of a “loss” from someone other than “us”. “You”, therefore, shall do all that is possible after a “loss” to preserve any such right of recovery. If “we” make a payment under this EPL Coverage Endorsement, that right of recovery shall belong to “us”. “You” shall do whatever is necessary, including signing documents, to help “us” obtain that recovery.

F. Extended Reporting Period

1. Solely with respect to this EPL Coverage Endorsement and except as indicated below, if “you” shall cancel or “we” shall cancel for any reason other than for non-payment of premium, or “you” or “we” shall refuse to renew this EPL Coverage Endorsement, “you” shall have the right, upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage Endorsement, to buy an Extended Reporting Period Endorsement, providing an Extended Reporting Period of one (1) year following the effective date of the cancellation or nonrenewal, in which to give “us” written notice of “claims” first made or “suits” first brought against the “insureds” during said Extended Reporting Period for any “wrongful employment acts” which take place after the “original inception date” and before the end of the “EPL coverage period” and are otherwise covered by this EPL Coverage Endorsement.

To obtain an Extended Reporting Period Endorsement, “you” must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal.

2. The Extended Reporting Period Endorsement cannot be canceled by either party, except for nonpayment of premium. The additional premium for the Extended Reporting Period

shall be fully earned at the inception of the Extended Reporting Period and this EPL Coverage Endorsement cannot be cancelled after such additional premium is paid. If “we” do not receive the written request as required, “you” may not exercise this right at a later date.

3. This insurance, provided during the Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Extended Reporting Period Endorsement becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.
4. This Clause F and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.
5. In the event of a “Transaction”, as defined in Clause G below, the “named insured” shall have the right, within thirty (30) days before the end of the “EPL coverage period”, to request an offer from “us” of an Extended Reporting Period (with respect to “wrongful employment acts” which take place after the “original inception date” and prior to the effective time of the “Transaction”). We shall offer such Extended Reporting Period pursuant to such terms, conditions, and premium as we may reasonably decide. In the event of a “Transaction”, the right to an Extended Reporting Period shall not otherwise exist except as indicated in this paragraph.

G. Change in Control of “Named Insured”

If during the “EPL coverage period”:

1. the “named insured” shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
2. any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the “named insured” (in the event the “named insured” is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. a General Partner of the “named insured” (in the event the “named insured” is a partnership) withdraws, resigns or is terminated;

(any of the above events herein referred to as the “Transaction”),

then this EPL Coverage Endorsement shall continue in full force and effect as to “wrongful employment

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acts” occurring after the “original inception date” and prior to the effective time of the “Transaction”, but there shall be no coverage afforded by any provision of this EPL Coverage Endorsement for any actual or alleged “wrongful employment acts” occurring after the effective time of the “Transaction”. This EPL Coverage Endorsement may not be canceled after the effective time of the “Transaction” and the entire premium for this EPL Coverage Endorsement shall be deemed earned as of such time. “You” shall also have the right to an offer by “us” of an Extended Reporting Period described in Clause F of this EPL Coverage Endorsement.

“You” shall give “us” written notice of the “Transaction” as soon as practicable, but not later than thirty (30) days after the effective date of the “Transaction”.

H. Legal Action Against “Us”

No person or organization has the right to join “us” as a party or otherwise bring “us” into a “suit” asking for damages from an “insured”.

I. Other Insurance

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage Endorsement shall be primary.

J. EPL Coverage Endorsement Changes

This EPL Coverage Endorsement contains all the agreements between “you” and “us” concerning this insurance. The first “named insured” in the Supplemental Declarations of this EPL Coverage Endorsement is authorized to request changes in this EPL Coverage Endorsement. This EPL Coverage Endorsement can only be changed by a written endorsement “we” issue and make part of this EPL Coverage Endorsement.

K. Representations

Any and all relevant provisions of this EPL Coverage Endorsement may be voidable by “us” in any case of fraud, intentional concealment, or misrepresentation of material fact by any “insured”.

L. Special Rights and Duties of the “Named Insured”

“You” agree that when there is more than one person and/or entity covered under this EPL Coverage Endorsement, the first “named insured” in the Supplemental Declarations of this EPL Coverage Endorsement shall act on behalf of all “insureds” as to:

1. Giving of notice of a “claim” or “suit”;

2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage Endorsement; or
5. Purchasing or deciding not to purchase the Extended Reporting Period Endorsement.

M. Headings

The descriptions in the headings of this EPL Coverage Endorsement are solely for convenience, and form no part of the terms and conditions of coverage.

SECTION VII. DEFINITIONS

- A. “Bodily injury” means physical injury, sickness, or disease, including death resulting therefrom.
- B. “Claim” means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term “claim” shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to “you”. However, in no event, shall the term “claim” include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- C. “Class Action Suit” means any suit seeking certification or certified as a class action by a federal or state court.
- D. “Defense Costs” means reasonable and necessary fees, costs and expenses consented to by “us” resulting solely from the investigation, adjustment, defense and appeal of a “claim” or “suit” against “you”.
- E. “Employee” means an individual whose labor or service is engaged by and directed by “you” for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary “employees”. An individual who is leased to “you” shall also be an “employee”, but only if “you” provide indemnification to such leased individual in the same manner as is provided to “your” “employees”. Any other individual who is contracted to perform work for “you”, or who is an independent contractor for “you”, shall also be an “employee”, but only if “you” provide indemnification to such

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individual in the same manner as that provided to your employees, pursuant to a written contract.

- F.** “Loss(es)” means damages (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by “us”, statutory attorney fees, and “defense costs”; however, “loss” shall not include: (1) civil or criminal fines or penalties imposed by law; (2) punitive or exemplary damages; (3) the multiplied portion of multiplied damages; (4) taxes; (5) any amount for which the “insureds” are not financially liable or which are without legal recourse to the “insureds”; (6) employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation; (7) any liability or costs incurred by any “insured” to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or (8) matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage Endorsement shall be construed.
- G.** “Named Insured” means the person or organization designated in the Supplemental Declarations page of this EPL Coverage Endorsement.
- H.** “Original inception date” refers to the date specified in the Supplemental Declarations of this EPL Coverage Endorsement.
- I.** “EPL coverage period” means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage Endorsement. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage Endorsement. If “you” became an “insured” under this EPL Coverage Endorsement after the effective date, the “EPL coverage period” begins on the date “you” became an “insured”.
- J.** “Property Damage” means physical injury to, or destruction of, tangible property including the loss of use of thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- K.** “Recognized volunteer” means an uncompensated individual who volunteers labor or services to “you”, but only when performing such labor or services at the request of and under the direction of “you”.
- L.** “Related Wrongful Employment Act(s)” means “wrongful employment acts” which are the same, related or continuous, or “wrongful employment acts” which arise from a common nucleus of facts. “Claims” or “suits” can allege “related wrongful employment acts”, regardless of whether such

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“claims” or “suits” involve the same or different claimants, “insureds” or legal causes of actions.

- M.** “Retaliation” means a “wrongful employment act” of an “insured” alleged to be in response to, the actual or attempted exercise by an “employee” of any right that such “employee” has under the law. Provided, however, “retaliation” shall not include the “wrongful employment act” of an “insured” alleged to be in response to the threat of or the actual filing of any claim or suit under the Federal False Claims Act or any other federal, state, local or foreign “whistleblower law”.

- N.** “Subsidiary” means:

1. Any for-profit organization which, on or before the inception of the “EPL coverage period”, is more than 50% owned by the “named insured”, either directly or indirectly through one or more of its “subsidiaries”; or
2. A for-profit organization which becomes a “subsidiary” during the “EPL coverage period”, but only upon the condition that within 90 days of its becoming a “subsidiary”, the “named insured” shall have provided “us” with full particulars of the new “subsidiary” and agreed to any additional premium or amendment of the provisions of this EPL Coverage Endorsement required by “us” relating to such new “subsidiary”. Further, coverage as shall be afforded to the new “subsidiary” is conditioned upon the “named insured” paying when due any additional premium required by “us” relating to such new “subsidiary”.

An organization becomes a “subsidiary” when the “named insured” owns more than fifty (50%) percent ownership interest in such “subsidiary”, either directly, or indirectly through one or more of its “subsidiaries”. An organization ceases to be a “subsidiary” when the “named insured” ceases to own more than a fifty (50%) percent ownership in such “subsidiary”, either directly, or indirectly through one or more of its “subsidiaries”.

In all events, coverage as is afforded under this EPL Coverage Endorsement with respect to a “claim” made or “suit” brought against any “subsidiary” or an “insured” of any “subsidiary”, shall only apply to “wrongful employment act(s)” commenced or allegedly commenced after the effective time that such “subsidiary” became a “subsidiary”, and prior to the time that such “subsidiary” ceased to be a “subsidiary”.

- O.** “Suit” means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative

dispute resolution procedure seeking such damages, to which the “insured” must submit or may submit with “our” consent. “Suit” shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.

P. “Whistleblower law” means a statute, rule or regulation, which protects an employee against discrimination from his or her employer, if the employee discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer’s operations, which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, and professional codes of ethics.

Q. “Wrongful Employment Act(s)” means any actual or alleged:

1. wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
2. harassment (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
3. discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);

4. “retaliation” (including lockouts);
5. employment-related misrepresentation(s) to “your” “employee” or applicant for employment with “you”;
6. employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
7. wrongful failure to employ or promote;
8. wrongful deprivation of career opportunity, wrongful demotion or negligent “employee” evaluation, including the giving of negative or defamatory statements in connection with an “employee” reference;
9. wrongful discipline;
10. failure to grant tenure;
11. failure to provide or enforce adequate or consistent corporate policies and procedures relating to any “wrongful employment act”;
12. negligent supervision or hiring by an “insured”, relating to any of the above;
13. violation of an individual’s civil rights relating to any of the above.

All other terms and conditions of this policy remain unchanged.

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